

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-0779
1b. TYPE OF WELL DIRECTIONAL WELL		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. UNIT AGREEMENT NAME ROCK HOUSE UNIT
2. NAME OF OPERATOR ROSEWOOD RESOURCES, INC.		8. FARM OR LEASE NAME ROCK HOUSE
3. ADDRESS OF OPERATOR P.O. BOX 1668, VERNAL, UTAH 84078		9. WELL NO. #31
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At Surface 2630' FNL 257' FEL SE NE SEC 9 T11S R23E <i>4414970 N 642057 E</i> At proposed Prod. Zone 1285 FNL 1350 FEL NW NE SEC 9 T11S R23E <i>4415380 N 641724 E</i>		10. FIELD AND POOL OR WILDCAT ROCK HOUSE
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* APPROXIMATELY 34 MILES SOUTH OF BONANZA, UTAH		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NW NE SEC 9 T11S R23E
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1285'	16. NO. OF ACRES IN LEASE 2442.09	12. County UINTAH
17. NO. OF ACRES ASSIGNED TO THIS WELL 40 ACRES	13. STATE UTAH	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 1700' +/-	19. PROPOSED DEPTH 5400' TVD	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6111' UNGRADED		22. APPROX. DATE WORK WILL START* UPON APPROVAL
23. PROPOSED CASING AND CEMENTING PROGRAM		
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT
12 1/4"	9 5/8"	36#
7 7/8"	4 1/2"	11.6#
SETTING DEPTH		QUANTITY OF CEMENT
500'		350sx - CIRC. TO SURFACE
5400' TVD		1160 sx - 2 STAGE TO SURFACE

Rosewood Resources, Inc. proposes to drill a directional well to 5400' TVD to test the Wasatch and Mesa Verde formations (off of the existing Rockhouse #17 pad). If productive, casing will be set and the well completed. If dry, the well will be plugged and abandoned as per BLM & State of Utah requirements.

See Rockhouse #17 APD attached.

CONFIDENTIAL - TIGHT HOLE

Please be advised that Rosewood Resources, Inc. is considered to be the Operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.

If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Jill Henrie TITLE Administrative Assistant DATE 10/05/2001

(This space for Federal or State office use)

PERMIT NO. 43-047-34371

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to the rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Bradley G Hill

TITLE

BRADLEY G HILL

DATE

RECLAMATION SPECIALIST III

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NOV 01 2001
DIVISION OF
OIL, GAS AND MINING

Federal Approval of this
Action is Necessary

11-08-01

RECEIVED

T11S, R23E, S.L.B.&M.

N89°52'W - 80.02 (G.L.O.)

NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL
IS LOCATED IN THE NW 1/4 NE 1/4 OF SECTION
9, T11S, R23E, S.L.B.&M. AT A DISTANCE OF
1285' FNL 1350' FEL. IT BEARS N39°04'58"W
1736.33' FROM THE PROPOSED WELL HEAD.

Bottom Hole

ROCK HOUSE #31

Elev. Ungraded Ground = 6111'

9

Brass Cap

2630' (Comp.)
S05°31'19"W - 2641.93'
N00°03'W - G.L.O. (Basis of Bearings)
2642.46' (Measured)

257'
Brass Cap

S00°07'51"E - 2631.77' (Meas.)

Brass Cap

N89°49'W - 80.48 (G.L.O.)

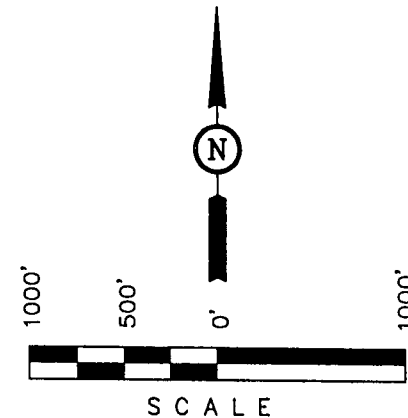
N00°04'W - 80.00 (G.L.O.)

ROSEWOOD RESOURCES, INC.

Well location, ROCK HOUSE #31, located as
shown in the SE 1/4 NE 1/4 of Section 9,
T11S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED IN THE NW 1/4 OF SECTION
27, T11S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY
BENCH SE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE
QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED
STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY.
SAID ELEVATION IS MARKED AS BEING 6366 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Rosewood
REGISTERED LAND SURVEYOR
REGISTRATION NO. 10173
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

LEGEND:

└─┘ = 90° SYMBOL

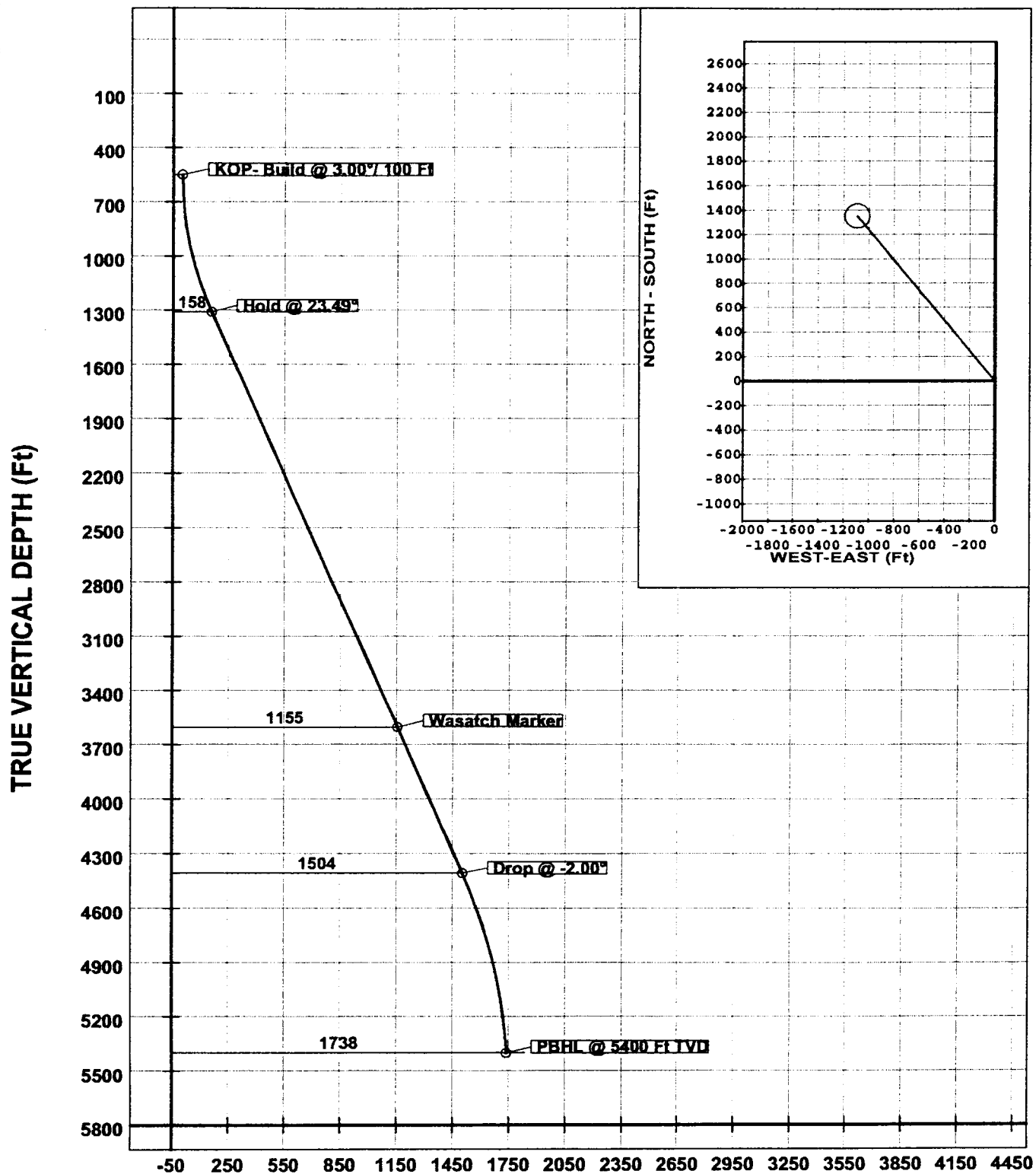
● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

LATITUDE = 39°52'30"
LONGITUDE = 109°20'20"

SCALE 1" = 1000'	DATE SURVEYED: 9-7-01	DATE DRAWN: 9-17-01
PARTY D.K. R.W. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE ROSEWOOD RESOURCES, INC.	

Company: Rosewood Resources Inc
 Lease/Well: Rock House # 31 Pad #17
 Location: Sec 9-T11S-R23e
 State/Country: Ut. Uintah
 Declination: 11.57



° -- Build & Hold ^ --

VERTICAL SECTION (Ft) @ 321.03°

ROSEWOOD RESOURCES, INC.

ROCK HOUSE #31
LOCATED IN UTAH COUNTY, UTAH
SECTION 9, T11S, R23E, S.L.B.&M.

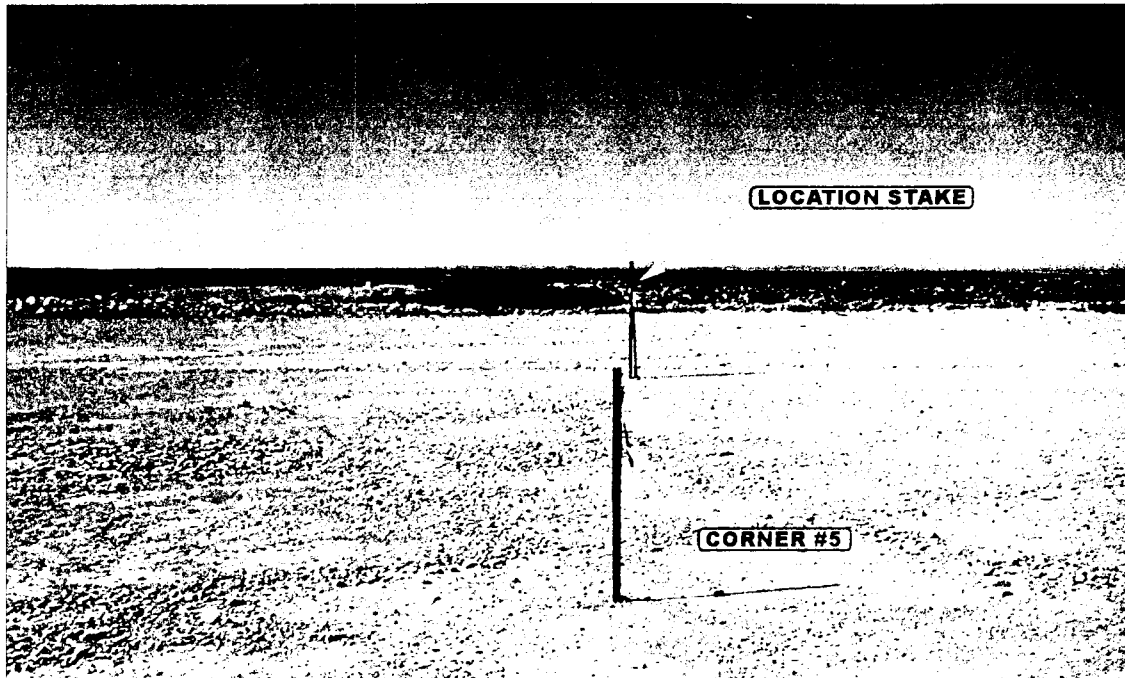


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF EXISTING ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

E&L S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

9 12 01
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

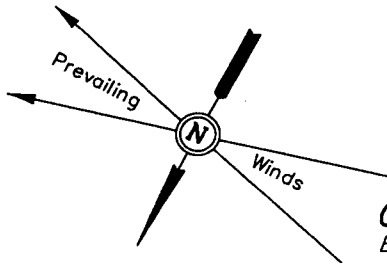
DRAWN BY: P.M.

REVISED: 00-00-00

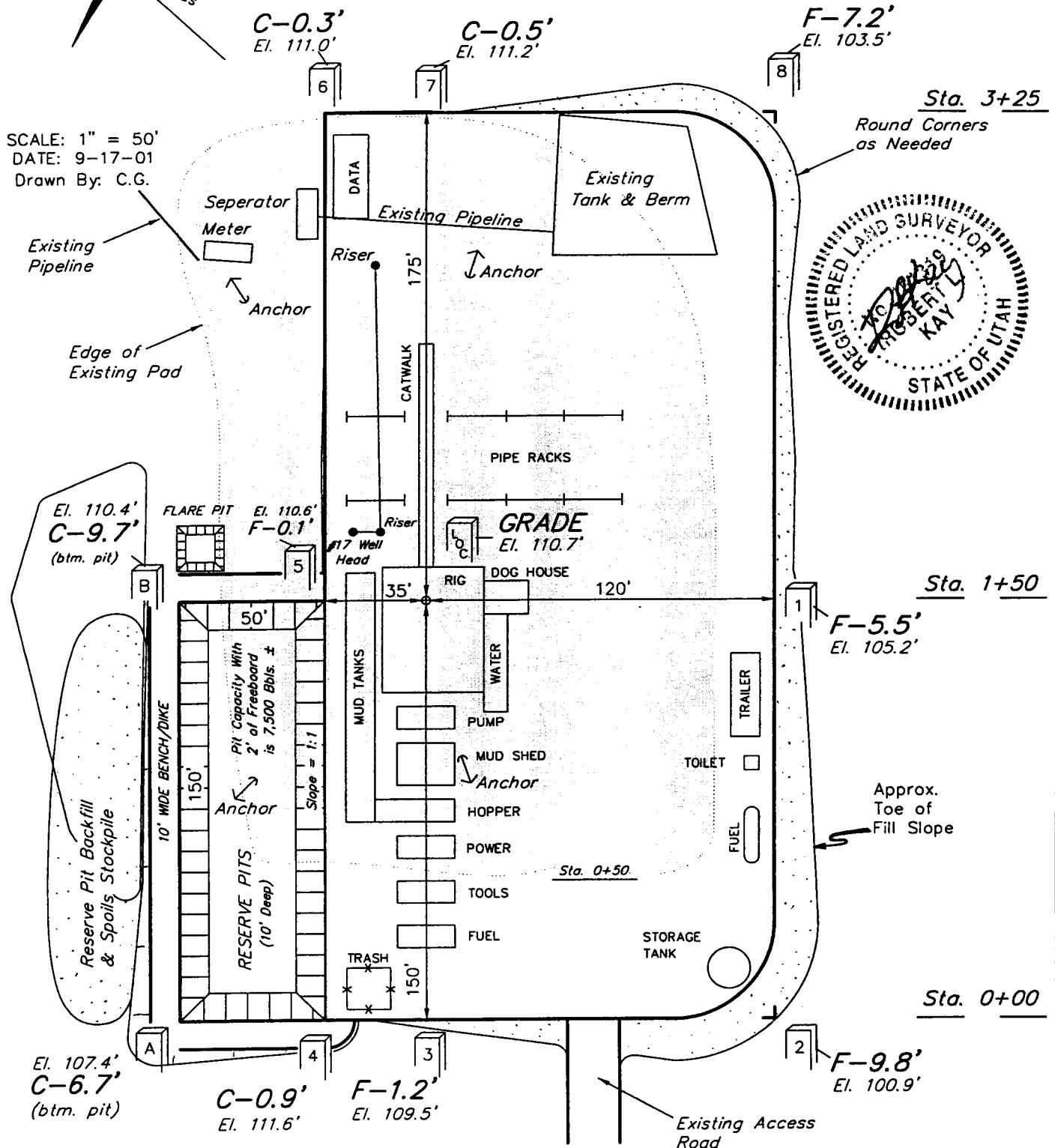
ROSEWOOD RESOURCES, INC.

LOCATION LAYOUT FOR

ROCK HOUSE #31
SECTION 9, T11S, R23E, S.L.B.&M.
2630' FNL 257' FEL



SCALE: 1" = 50'
DATE: 9-17-01
Drawn By: C.G.



Elev. Ungraded Ground at Location Stake = 6110.7'
Elev. Graded Ground at Location Stake = 6110.7'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

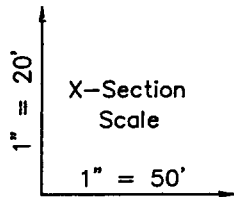
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

ROCK HOUSE #31

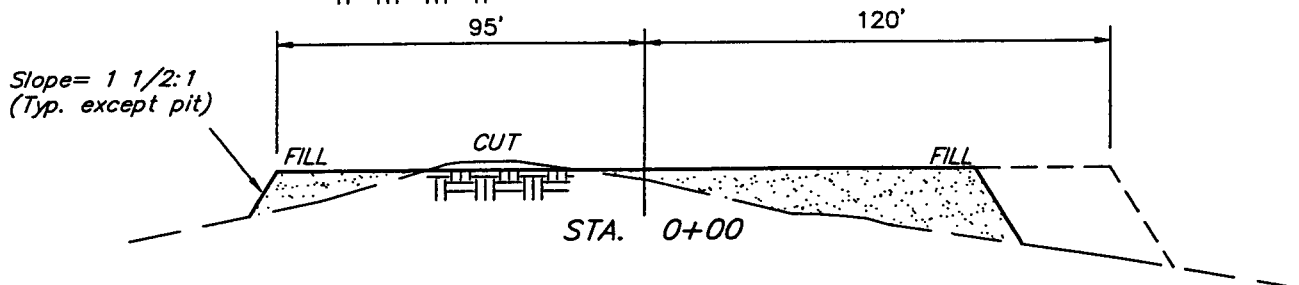
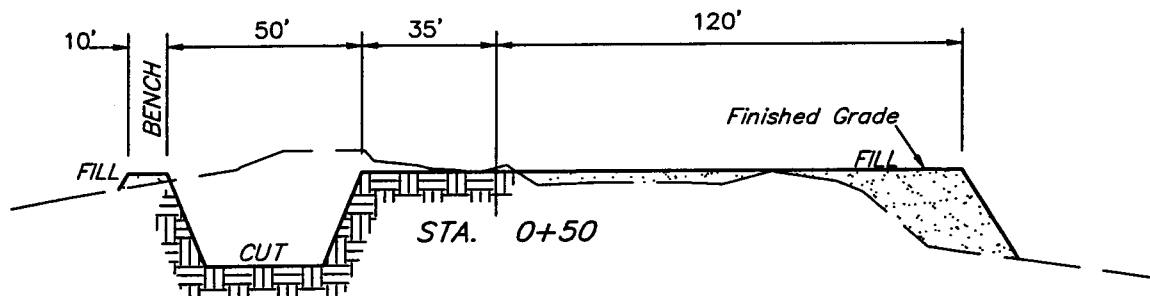
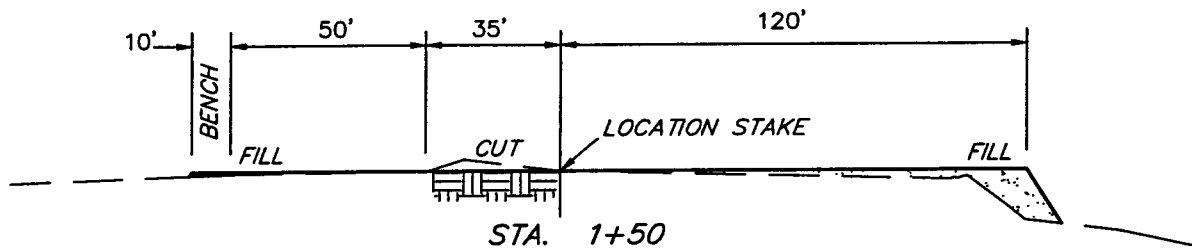
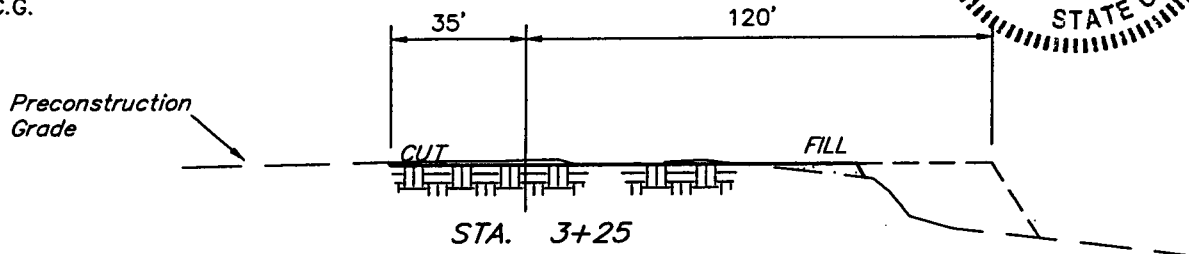
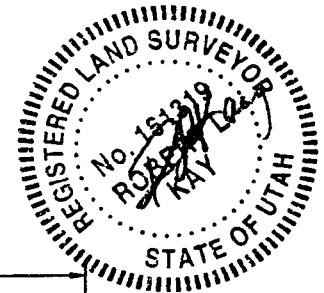
SECTION 9, T11S, R23E, S.L.B.&M.

2630' FNL 257' FEL



DATE: 9-17-01

Drawn By: C.G.

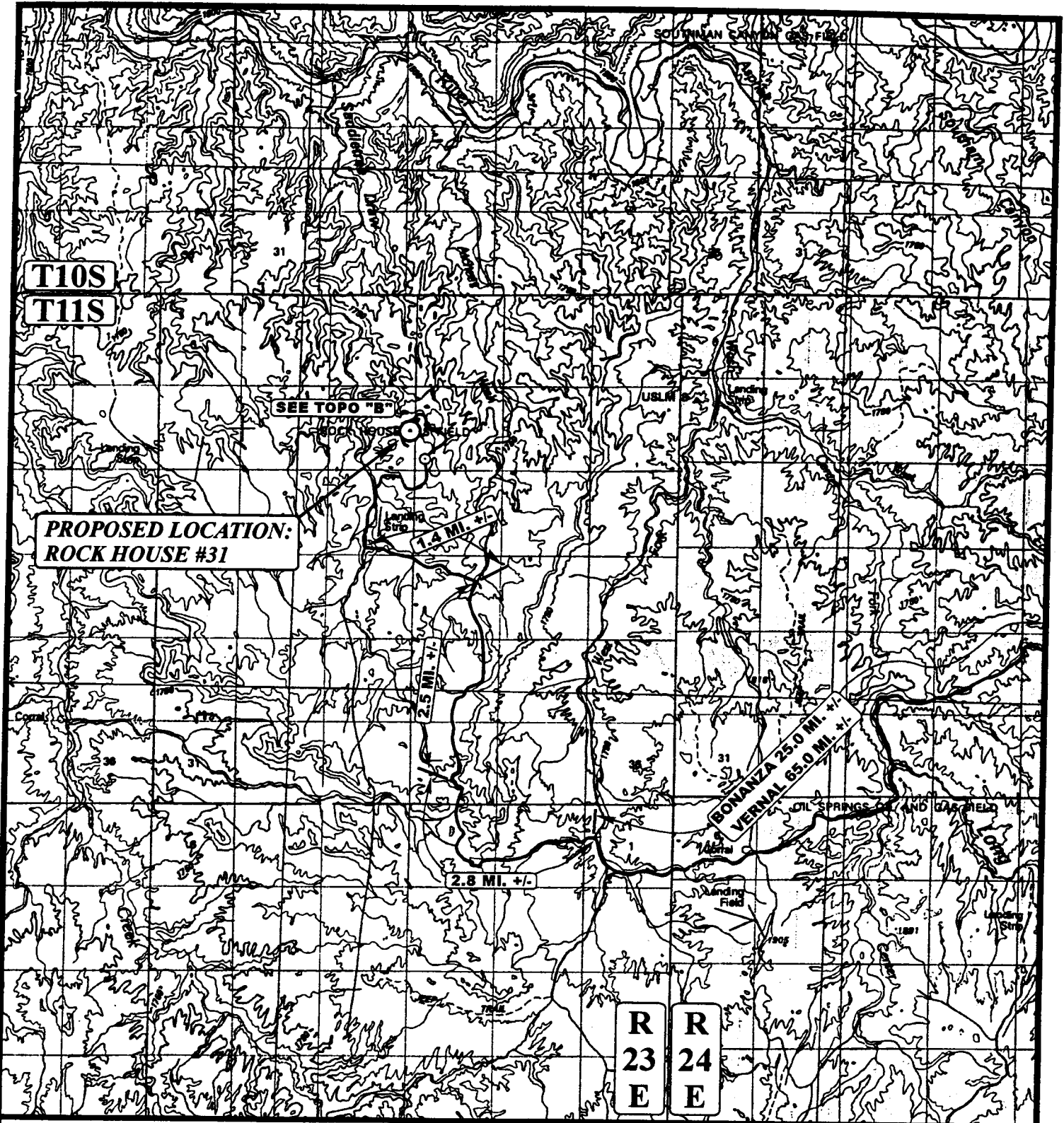


APPROXIMATE YARDAGES

TOTAL CUT = 2,390 CU.YDS.
FILL = 2,940 CU.YDS.

DEFICIT MATERIAL AFTER
5% COMPACTION = 704 Cu. Yds.
Pit Backfill
(1/2 Pit Vol.) = 1,050 Cu. Yds.
DEFICIT UNBALANCE
(After Rehabilitation) = <1,750> Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

ROSEWOOD RESOURCES INC.

ROCK HOUSE #31

SECTION 9, T11S, R23E, S.L.B.&M.

2630' FSL 257' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com



TOPOGRAPHIC
MAP

9 12 01
 MONTH DAY YEAR

SCALE: 1 : 100,000 DRAWN BY: P.M. REVISED: 00-00-00



RECEIVED

NOV 01 2001

DIVISION OF
OIL, GAS AND MINING

10-30-01

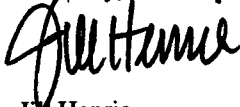
State of Utah
Division of Oil Gas and Mining
1594 West North Temple, Ste. 1210
Salt Lake City, UT 84114-5801

Attn: Leisha Cordova

Dear Leisha;

Here is the information you requested per our telephone conversation on 10-30-01 for the water well permit numbers, ect. Also enclosed are the new cover sheets for the RH 32, 33, 31, & 36 & new drilling prognosis for each well. If you could please replace the old with the new, that would be great. If you need any more info please feel free to give me a call at (435) 789-0414 extension #10. Thank you for all of your help with this matter.

Sincerely,



Jim Henrie
Administrative Assistant
Rosewood Resources, Inc.



USGS Water Well #GT125
NW/NW Sec 1, T12S, R22E
Uintah County, Utah

Pond Located :
SW/SW Sec 36, T11S R22E
Uintah County, Utah

Water Right Numbers:
USGS Well : 49-1620
Pond : 19-1621

Rockhouse #5A Water Well
Permit #49-1547

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/01/2001

API NO. ASSIGNED: 43-047-34371

WELL NAME: ROCK HOUSE U 31

OPERATOR: ROSEWOOD RESOURCES INC (N7510)

CONTACT: JILL HENRIE

PHONE NUMBER: 435-789-0414

PROPOSED LOCATION:

SENE 09 110S 230E

SURFACE: 2630 FNL 0257 FEL

NWNE BOTTOM: 1285 FNL 1350 FEL

UINTAH

ROCK HOUSE (670)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-0779

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

Geology

Surface

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. MT-0627)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 49-1620)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☐ R649-2-3. Unit ROCK HOUSE

☐ R649-3-2. General

☐ Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

☐ Drilling Unit

Board Cause No: _____

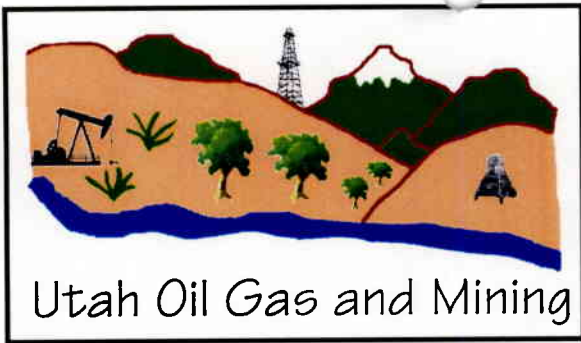
Eff Date: _____

Siting: _____

☒ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: ROSEWOOD RESOURCES (N7510)

SEC. 9,10 & 11, T11S, R23E

FIELD: ROCK HOUSE (670)

COUNTY: UINTAH UNIT: ROCK HOUSE

SPACING: R649-3-11/DIR DRL

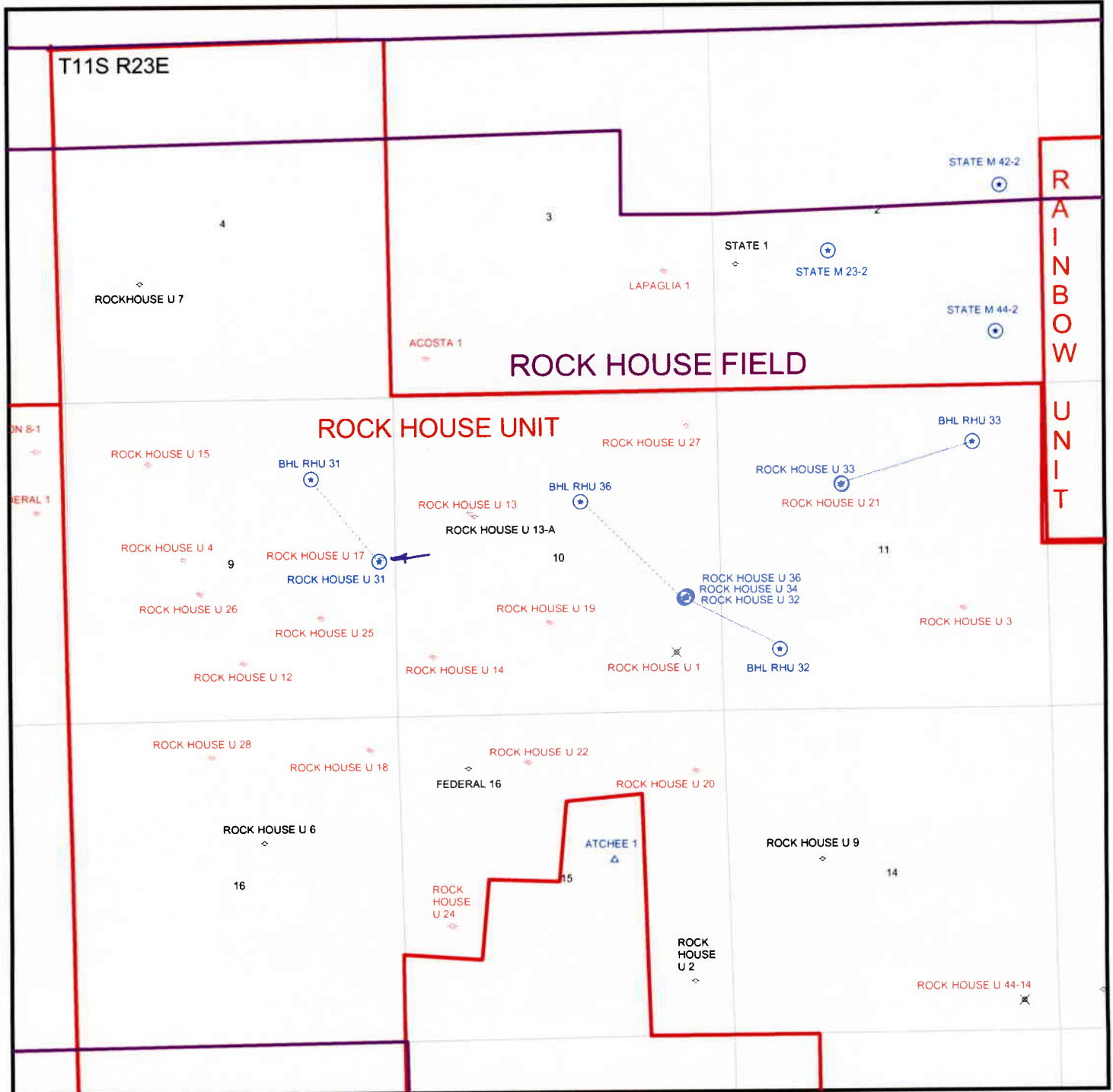
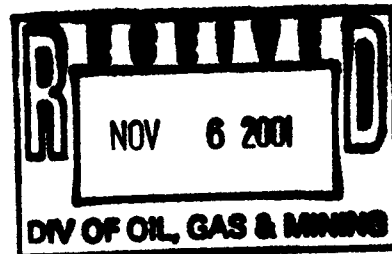


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ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rock House #31 (Directional)
1285' FNL 1350' FEL
NW NE Sec. 9, T11S, R23E
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

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DRILLING PROGRAM

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- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.)**
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.**
- n. No well abandonment operations will commence without prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30 days following abandonment operations. This report will indicate where plugs were placed and the current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or the surface managing agency.**
- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see their exploration, development, production and construction operations are conducted in a manner which conforms with applicable Federal, State and Local laws and regulations.**

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- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078
- g. Immediately Report: Spills, blowouts, fires, leaks, accidents or any other unusual occurrences will be promptly reported in accordance with the requirements of NTL-3A or its revision.
- h. A Completion Rig will be moved in following drilling operations. All conditions of this approved plan are applicable during the completion operations.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date the well is put on line.
- j. Pursuant to Onshore Order no. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for a permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day period.

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DRILLING PROGRAM
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geologic summaries, sample description and all pertinent information compiled during the drilling, completion and/or workover operations.

- e. The anticipated completion program will be to test prospective zones in the Mesa Verde and Wasatch Formations by perforating and fracture stimulation.**
- f. Daily drilling and completion progress reports shall be submitted to the Vernal Office on a weekly basis.**

7. Abnormal Temperatures or Pressures

- a. The expected bottom hole pressure is 3000 psi**
- b. No hydrogen sulfide gas, no abnormal pressures or temperatures are anticipated.**

8. Anticipated Starting Dates and Notification of Operations

- a. Drilling will commence November/December 2001.**
- b. It is anticipated that the drilling of this well will take approximately 10 days.**
- c. The BLM in Vernal, Utah will be notified of anticipated dates to begin road & location construction and spud date.**
- d. No location will be constructed or moved without approval from the AO. If well is plugged or suspended, prior approval from the AO must be obtained and notification given before resuming operations.**
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If well is spud on a weekend or holiday, the report will be submitted the following regular work day. Follow oral report with Sundry Notice.**

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5. Evaluation Program

The anticipated type and amount of testing and coring are as follows:

- a. No Drill Stem Tests are anticipated, however, if DST's are run, the following requirements will be adhered to:**

Initial opening of DST tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the AO. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the AO. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the test string under controlled surface conditions. This would involve some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to run during the test shall have spark arresters or water cooled exhausts.

- b. An AIT/GR/CDL/ML/GR will be run from the surface casing to T.D.**
- c. No cores will be run.**
- d. Whether the well is completed as a dry hole or a producer, a "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data,**

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DRILLING PROGRAM

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5. Mud Program

- a. The proposed circulating mediums to be used during drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-500'	Air/Clear Water	8.3 ppg	---	N/C	---
500-2000'	Clear Water	8.3 ppg	---	N/C	---
2000-5400'	Water/Gel	8.4-9.7	30-40	8	---

There will be sufficient mud on location to control a kick should one occur.

A mud test will be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and PH.

- b. Mud monitoring equipment to be used is as follows:
1. Periodic checks will be made each tour of the mud system. The mud level will be monitored visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian Lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

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- p. Anticipated cement tops will be reported as to depth; not the expected number of cement sacks to be used. The District Office will be notified, with sufficient lead to have an AO to witness running all casing strings and cementing.**
- q. After cementing but before commencing any test, the casing shall stand idle until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.**
- r. The following reports shall be filed with the District Office within 30 days of completing work.**

 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:**

 - a. Setting of each string of casing, showing the size, weight, grade of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated to surface or top of cement behind casing, depth of cementing tools used, casing test method and results and the date performed. Show the Spud date on the first reports submitted.**
 - b. Temperature or bond logs must be submitted for each well where cement was not circulated to surface.**
- s. Auxiliary equipment to be used is as follows:**

 - 1. Kelly Cock Valve**
 - 2. No bit float is deemed necessary.**
 - 3. Sub with full opening valve.**

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Rock House #31 (Directional)
1285' FNL 1350' FEL
NW NE Sec. 9, T11S, R23E
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-0779

DRILLING PROGRAM

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- k. All casing strings below the conductor shall be tested to 0.22 psi per foot of casing length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action will be taken.
- l. On all exploratory wells and on that portion of any well approved for a 3M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight anticipated to control the well to the next casing point. This test shall be performed before drilling more than 20' of new hole.
- m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-500'	12 1/4"	9 5/8"	36#	K-55	ST&C	New
Production	0-5400'	7 7/8"	4 1/2"	11.6#	N-80	LT&C	New

- n. Casing design subject to revision based on geological conditions encountered.
- o. The cement program will be as follows:

Surface
0-500'

Type and Amount
350 sx Class "G" with 2% CaCl and
1/4#/sk Cello-Flake.

Production
0-5400' TVD

Type and Amount
1st Stage: 800 sx Class "G" with 2% Gel,
2% Micro-Bond .3% CFR 3, 0.5% Halad
9 & 1/4#/sk Cello-Flake. Top of cement on
1st stage @ 3400'. Cement stage tool @
3000' +/-.

2nd Stage: 360 sx Prem Lite with 3% Salt,
2% Micro-Bond, 1% Econolite and 1/4#/sk
Cello-flake. Top of cement on 2nd Stage
@ surface.

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rock House #31 (Directional)
1285' FNL 1350' FEL
NW NE Sec. 9, T11S, R23E
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DRILLING PROGRAM

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Fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals or unusual characteristics. All indications of usable water shall be reported.

- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells.**
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells.**
- d. Casing collars shall have a minimum clearance of 0.422 inches on all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.**
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.**
- f. All casing except the conductor casing shall be new or reconditioned tested used casing that meets or exceeds API standards for new casing.**
- g. The surface casing shall be cemented to surface either during the primary cement job or by remedial cementing.**
- h. All indications of usable water shall be reported to the AO prior to running the next string of casing or before plugging orders are requested, whichever occurs first.**
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per every 2 joints starting with the shoe joint.**
- j. Top plugs shall be used to reduce the contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a preflush fluid, inner string cement method, etc. shall be utilized to help prevent cement contamination.**

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DRILLING PROGRAM

Page 3

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in place until well operations are completed. Preventers will be inspected and operated at least daily to ensure good mechanical working order, this will be recorded on daily drilling report.

The BLM District Office shall be notified with sufficient lead time to have their representative on location during BOPE testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment on rigs drilling in this area utilize a 10" 3000# W.P. blowout preventer.**
- b. A choke line and a kill line will be properly installed. The kill line will not be used as a fill-up line.**
- c. The accumulator system shall have a pressure capacity to provide repeated operation of hydraulic preventers.**
- d. Drill string safety valve(s) to fit all tools in the drill string will be maintained on the rig floor while drilling operations are in progress.**

4. Proposed Casing and Cementing Program:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones and any prospectively valuable mineral deposits. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation sufficient to handle maximum pressure to which it may be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons;**

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rock House #31 (Directional)
1285' FNL 1350' FEL
NW NE Sec. 9, T11S, R23E
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CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-0779

DRILLING PROGRAM

Page 2

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure rating of casing. Pressure shall be maintained for at least 10 minutes or until test requirements are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, no more than a 10% decline in pressure in a 30 minute time period will be acceptable. Valve on casinghead below test plug must be open during test.

Annular type preventers shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until test requirements are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. When initially installed**
- b. Whenever any seal subject to test pressure is broken**
- c. Following related repairs**
- d. 30-day intervals**

Valves shall be tested from working pressure side during BOPE tests with all downstream valves open.

When testing kill line valve(s) the check shall be held open or ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOP safety drill shall be conducted weekly for drilling crews.

Pressure tests shall apply to all related well control equipment.

All prescribed tests and or drills shall be recorded in the daily drilling log.

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rock House #31 (Directional)
1285' FNL 1350' FEL
NW NE Sec. 9, T11S, R23E
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-0779

DRILLING PROGRAM

Page 1

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Order No. 1 and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Uintah	Surface	+6111'
Wasatch	3605'	+2506'
Mesa Verde	5350'	+761'
T.D.	5400' TVD	+711'

2. Estimated Depth of Anticipated Water, Oil, Gas or Mineral Formations

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Wasatch	3605'- 5350' TVD
Gas	Mesa Verde	5350'- 5400' TVD

All fresh water or prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment

Rosewood's minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double with annular, 3000# psi W.P.

Rockhouse #31

SELF CERTIFICATION

Please be advised that Rosewood Resources, Inc. is to be considered the operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.


Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2.

CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Rosewood Resources, Inc. and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

Date 10/29/01


Randy Miller
Drilling Superintendent
Rosewood Resources, Inc.

November 6, 2001

Division of Oil, Gas & Minerals
1594 West North Temple, Suite 1210
Salt Lake, Utah 84114-5801
Attention: Leisha Cordova

RE: Rule 649-3-11

Dear Ms. Cordova:

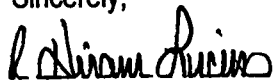
Rosewood Resources, Inc. respectfully requests approval to drill directionally, the following wells located in Uintah County, Utah. Rosewood Resources, Inc. was required to deviate from the general rule for drilling these wells due to surface and topographic problems. After review, all points of each well bore are greater than 460 feet from any offset owners.

The wells subject to this request are:

Rockhouse 31
Rockhouse 33
Rockhouse 36
Rockhouse 32

Should you have questions or comments, please advise.

Sincerely,



R. Hiram Lucius, CPL
Land Manager

Cc: Jill Henrie

RECEIVED

NOV 08 2001

**DIVISION OF
OIL, GAS AND MINING**



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

November 8, 2001

Rosewood Resources, Inc.
P O Box 1668
Vernal, UT 84078

Re: Rock House Unit 31 Well, Surface Location 2630' FNL, 257' FEL, SE NE, Sec. 9,
T. 11 South, R. 23 East, Bottom Location 1285' FNL, 1350' FEL, NW NE, Sec. 9,
T. 11 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34371.

Sincerely,

John R. Baza
Associate Director

dm

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Rosewood Resources, Inc.
Well Name & Number Rock House Unit 31
API Number: 43-047-34371
Lease: UTU 0779

Surface Location: SE NE **Sec.** 9 **T.** 11 South **R.** 23 East
Bottom Location: NW NE **Sec.** 9 **T.** 11 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-0779
1b. TYPE OF WELL DIRECTIONAL WELL		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
OIL <input type="checkbox"/> GAS <input type="checkbox"/> SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> ZONE <input type="checkbox"/> ZONE <input checked="" type="checkbox"/>		7. UNIT AGREEMENT NAME ROCK HOUSE UNIT
2. NAME OF OPERATOR ROSEWOOD RESOURCES, INC.		8. FARM OR LEASE NAME ROCK HOUSE
3. ADDRESS OF OPERATOR P.O. BOX 1668, VERNAL, UTAH 84078		9. WELL NO. #31
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface 2630' FNL 257' FEL SE NE SEC 9 T11S R23E At proposed Prod. Zone 1285 FNL 1350 FEL NW NE SEC 9 T11S R23E		10. FIELD AND POOL OR WILDCAT ROCK HOUSE
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* APPROXIMATELY 34 MILES SOUTH OF BONANZA, UTAH		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NW NE SEC 9 T11S R23E
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1285'	16. NO. OF ACRES IN LEASE 2442.09	12. County UINTAH
17. NO. OF ACRES ASSIGNED TO THIS WELL 40 ACRES	18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 1700' +/-	13. STATE UTAH
19. PROPOSED DEPTH 5400' TVD	20. ROTARY OR CABLE TOOLS ROTARY	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6111' UNGRADED		22. APPROX. DATE WORK WILL START* UPON APPROVAL

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	500'	350sx - CIRC. TO SURFACE
7 7/8"	4 1/2"	11.6#	5400' TVD	1160 sx - 2 STAGE TO SURFACE

Rosewood Resources, Inc. proposes to drill a directional well to 5400' TVD to test the Wasatch and Mesa Verde formations (off of the existing Rockhouse #17 pad). If productive, casing will be set and the well completed. If dry, the well will be plugged and abandoned as per BLM & State of Utah requirements.

See Rockhouse #17 APD attached. **CONFIDENTIAL - TIGHT HOLE**

Please be advised that Rosewood Resources, Inc. is considered to be the Operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.
If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Jim Henrie* TITLE Administrative Assistant DATE 10/05/2001

(This space for Federal or State office use)

PERMIT NO. NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *Frank B. Leavitt* TITLE Assistant Field Manager Mineral Resources DATE 12/04/2001

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DOGM

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Rosewood Resources, Inc.
Well Name & Number: Rockhouse #31
API Number: 43-047-34371
Lease Number: U - 0779
Surface Location: SENE Sec. 9 T. 11S R. 23E
Bottom Hole: NWNE Sec. 09 T. 11S R. 23E
Agreement: Rock House WS MV

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to this office **prior to setting the next casing or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

3. Casing Program and Auxiliary Equipment

As a minimum, the usable water, oil shale, and other resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at 1,090 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. Coring, Logging and Testing Program

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notifications of Operations

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

7. Other Information

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

Whatever topsoil is present on the area of new disturbance shall be piled with the existing topsoil pile. The topsoil pile shall then be broadcast seeded with the seed mix shown below and walk with the dozer to plant the seed.

The topsoil from the reserve pit shall be re-stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread; then the area shall be seeded with the seed mix shown below by broadcasting the seed then walking it in with the dozer.

Seed mix to be used when seeding the topsoil, the reserve pit, and for final abandonment rather than the seed mix identified in the APD:

<u>Species</u>	<u>Scientific Name</u>	<u>lbs/acre</u>
Thickspike wheatgrass	Agropyron dasystachyum	6
Antelope bitterbrush	Purshia tridentata	6

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

UTU-0779

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

ROCKHOUSE

8. Well Name and No.

31

9. API Well No.

43-04734371

10. Field and Pool, or Exploratory Area

ROCKHOUSE

11. County or Parish, State

UINTAH, UT

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

CONFIDENTIAL

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

P.O. Box 1668 Vernal, Utah 84078 (435)789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2630 FNL 257 FEL SE NE SEC 09, T11S R23E (SURFACE)
1285 FNL 1350 FEL NW NE SEC 9, T11S R23E SLB&M (DOWNHOLE)

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other SPUD
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Rosewood Resources, Inc. Spud above mentioned well at 4:00 P.M. on 12/27/01. (Contractor: Bill Martin)

SET 9 5/8" 36# K-55 STC CSG @ 536' KB.

CEMENT W/ 220 SK "G" W/2% CACL & 1/4# /SK FLOCELE. CIRC CMT TO SURFACE.

If you have any questions or concerns please feel free to call.

Thank You, Jill Henrie

Rosewood Resources, Inc.

(435) 789-0414 x 10

COPIES: ORIG. & 2-BLM; DIV. OG&M

14. I hereby certify that the foregoing is true and correct

Signed

[Signature]

Title

Administrative Asst

Date 01/07/02

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Rosewood Resources, Inc. Operator Account Number: N 7510
Address: P.O. Box 1668
Vernal
city
state Utah zip 84078 Phone Number: (435) 789-0414

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-34371	Rockhouse #31	NENE	9	11S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B	99999	2025	12/27/01	1-11-02		
Comments: CONFIDENTIAL						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-34372	Rockhouse #33	NENE	11	11S	23 E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B	99999	2025	12/18/01	1-11-02		
Comments: CONFIDENTIAL						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Jill Henrie

Name (Please Print) -

Jill Henrie

Signature
Admin Assistant

01-07-02

Title

Date

JAN 11 2002

DIVISION OF
OIL, GAS AND MINING

SUBMIT IN DUPLICATE*
(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
UTU-0779

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

1b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

DRY ☐

Other

NEW WELL ☒

WORK OVER ☐

DEEP-EN ☐

PLUG BACK ☐

DIFF. RESVR. ☐

PERIOD

Other

ON 8-4-03

NA

7. UNIT AGREEMENT NAME

ROCKHOUSE UNIT

8. FARM OR LEASE NAME, WELL NO.

#31

9. API WELL NO.

43-047-34371

10. FIELD AND POOL OR WILDCAT

ROCKHOUSE

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Block & Survey: **S.L.B. & M**

12. COUNTY OR PARISH

UINTAH

13. STATE

UTAH

2. NAME OF OPERATOR

ROSEWOOD RESOURCES, INC.

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1668, VERNAL, UT 84078

435-789-0414

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface

2630' FNL 257' FEL, SE NE SEC 9, T11S R23E

At top prod. Interval reported below

1285 FNL 1350 FEL, NW NE SEC 9, T11S R23E

At total depth

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

12/27/01

16. DATE T.D. REACHED

2/7/2002

17. DATE COMPL. (Ready to prod.)

07/04/02

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

6111' GL

19. ELEV. CASING HEAD

6111'

20. TOTAL DEPTH, MD & TVD

5805'

MD

TVD

21. PLUG, BACK T.D., MD & TVD

5708' MD

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

0-5805'

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

4770-4800' WASATCH

5218'-5238' WASATCH

YES

26. TYPE ELECTRIC AND OTHER LOGS RUN

CNL DENSITY, DILL, MICRO, CBL W/ GR&CCL

27. WAS WELL CORED

NO

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9 5/8" K-55	36#	536' KB	12 1/4"	SURF W/ 215SX "G" + 2% CACL	NONE
4 1/2" N-80	11.6#	5800'	7 7/8"	570' 1ST STAGE 300SX "G" + 3% FI	NONE
				3% SALT 3% CFR3, 5% HALAD 9. 2ND STAGE	
				550 SX LITE+6% GEL+3%SALT 3%CFR-3	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	5204'	NONE

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4770'-4800'	2 SPF	60
5218' - 38'	2 SPF	40

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	
5218' - 38'	FRAC 43,800# 20/40 SAND

PRODUCTION

DATE FIRST PRODUCTION 07/05/02	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) FLOWING	WELL STATUS (Producing or shut-in) PRODUCING
DATE OF TEST 07/05/02	HOURS TESTED 24	CHOKE SIZE 14/64"
FLOW. TUBING PRESS. 1985#	CASING PRESSURE 1350#	CALCULATED 24-HOUR RATE 0
	OIL-BBL. 0	GAS-MCF. 1449
	WATER-BBL. 0	GAS-OIL RATIO

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SOLD

TEST WITNESSED BY

IVAN SAIDLER

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

[Signature]

TITLE

ADMINISTRATIVE ASSISTANT

DATE

10/7/2002

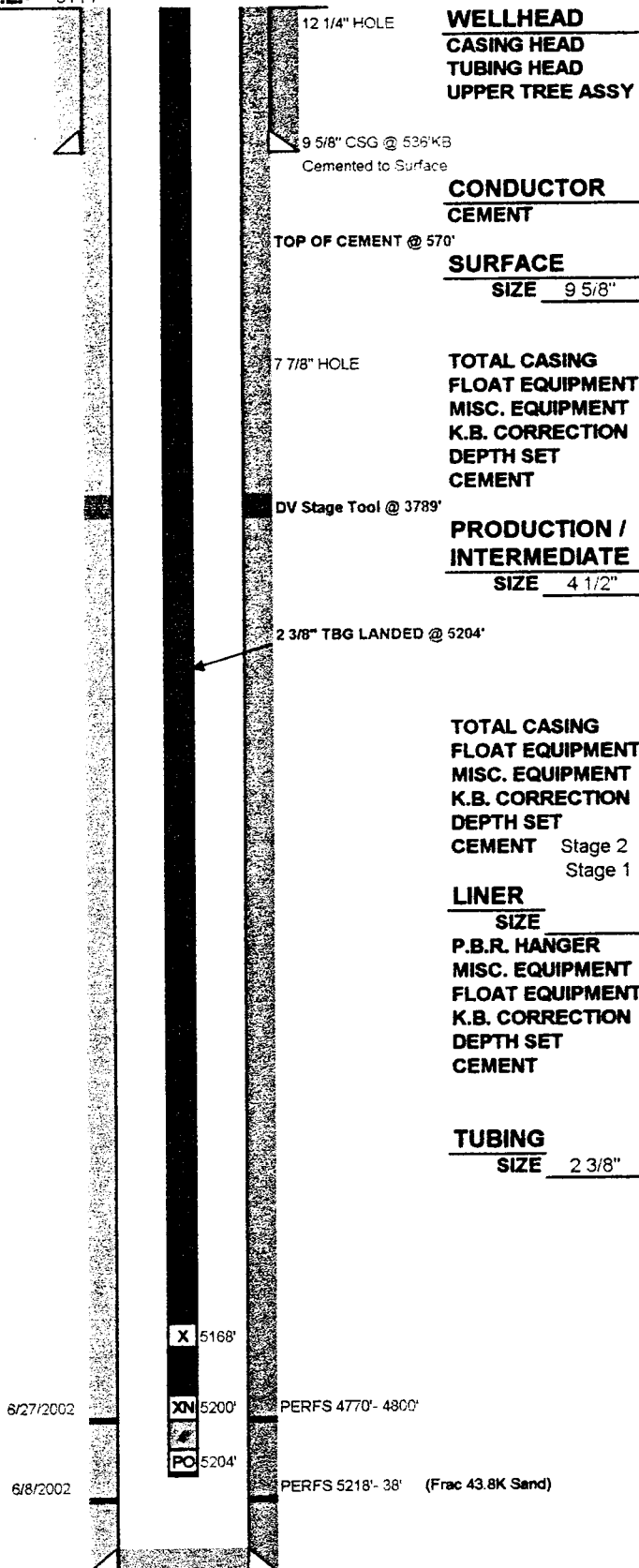
*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OCT 18 2002

DIVISION OF
OIL, GAS AND MINING

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
				WASATCH	3886'	
COPIES: BLM - VERNAL/ORIG. & 2 COPIES; DIV. OG&M - DALLAS 1 COPY;						

K.B.- 6125'
G.L.- 6111'
WELLHEAD
CASING HEAD
TUBING HEAD
UPPER TREE ASSY

 9 5/8" SOW X 11" 3M
 11" 3M X 7 1/16" 5M
 2 1/6" 5M

CONDUCTOR
CEMENT

TOP OF CEMENT @ 570'

SURFACE
SIZE 9 5/8"

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT
PRODUCTION /
INTERMEDIATE
SIZE 4 1/2"

TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT Stage 2
Stage 1

LINER
SIZE
P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT
TUBING
SIZE 2 3/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
12	36#	K-55	ST&C	536'KB

JTS.	WT.	GRADE	CPLG.	AMT. SET
138	11.6#	N-80	LT&C	5800'

JTS.	WT.	GRADE	CPLG.	AMT. SET
166	4.7#	J-55	EUE	5204'

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CONFIDENTIAL

ROSEWOOD RESOURCES, INC.

Daily Drilling Report

WELL NAME: ROCKHOUSE #31

DATE: 1/28/2002

Directional Well

DEPTH: 5115'

PROPOSED TO: 5734'

PERFS:

Lease #: UTU-0779

Surface: SE NE SEC 9 T11S R23E 2630' FNL 257' FEL

Downhole: SE NE SEC 9 T11S R23E 1285' FNL 1350' FEL

County: UINTAH UTAH

PACKER:

RBP:

CIBP:

EOT:

Engineer
ConsultantD. Widner
S. Miller

#####

FROM	TO	ACTIVITY PAST 24 HRS:
		MIRU. BILL MARTIN JR RATHOLE RIG. SPUD @ 4:00 P.M. ON 12/27/01. DRILL 12 1/4" HOLE TO 100'.
		12/28/01: FINISH DRILLING 12 1/4" HOLE TO 522' GL & POOH
		RUN 12 JTS 9 5/8 36# K55 STC CSG. RU BIG 4 CEMENTERS. CEMENT CSG TO SURFACE
		WI 220 SKS CLASS "G" WI 2% CACL & 1/4 # PER SK FLOCELE

1/28/2002

0700	1900	MIRU SEI RIG 5
1900	2330	PRESSURE TEST BOP W/ SINGLE JACK TESTERS
2330	0230	P/U WEATHERFORD DIR. TOOLS. AND ORIENT MWD
0230	0430	DRLG CEMENT AND FLOAT EQUIP.
0430	0500	DRLG FM 538' TO 558'
0500	0530	PREFORM EQUIV. MUD WT. TEST TO 10 lb MUD
0530	0600	DRLG FM 558' TO 589'

Daily cost \$21,260 cum. cost \$73,055

1/29/2002

0600	1630	DRLG FM 589' TO 981'
1630	1700	SERVICE RIG. FUNCTION BOP
1700	0600	DRLG FM 981' TO 1461'

Daily cost \$26,894 cum. cost \$99,949

1/30/2002

FROM	TO	ACTIVITY PAST 24 HRS:
0600	1530	DRLG FROM 1461' TO 1880'
1530	1600	SERVICE RIG.
1600	1730	DRLG FROM 1880' TO 2038'
1730	2000	TRIP OUT FOR BIT.
2000	2130	TRIP IN W/ NEW BIT.
2130	2200	ORIENT TOOL. ATTEMPT TO DRILL. LOST 100% CIRCULATION.
2230	2300	MIX AND PUMP PILL. GOT RETURNS BACK RIGHT AWAY. START MUD UP.
2300	0600	DRLG FROM 2038' TO 2382'.

Daily cost \$25,321 cum. cost #####

1/31/2002

0600	1400	DRLG FM 2385' TO 2736'
1400	1430	SERVICE RIG. FUNCTION BOP
1430	2330	DRLG FM 2736' TO 3095'
2330	0200	TRIP OUT FOR BIT. BIT BALLED UP

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0200	0400	TRIP IN, RERUN BIT #2
0400	0430	DRLG FM 3095' TO 3102'
0430	0600	100% LOST CIRCULATION, MIX LCM, AND BUILD VOLUME
LOST ABOUT 600 BBLS TOTAL FOR 24 HRS		

Daily cost \$24,992 cum. cost \$150,262

2/1/2002

0600	1030	CIRC AND COND. BUILD VOLUME, REPAIR LOST CIRC
1030	1430	DRLG FM 3102' TO 3275'
1430	1700	PUMP PILL, TRIP OUT FOR PLUGGED MWD
1700	1830	XO MWD, AND BIT
1830	2100	TRIP IN
2100	2130	DRLG FM 3275' TO 3291'
2130	2330	100% LOST CIRC, MIX LCM, AND BUILD VOLUME
2330	0030	DRLG FM 3291' TO 3296' MWD PLUGGING UP
0030	0600	WAIT ON PATHFINDER MWD TOOLS, WORK ON MUD

Daily cost \$32,582 cum. cost \$182,844

2/2/2002

0600	0830	WAIT ON PATHFINDER MWD
0830	1130	TRIP OUT, AND LAY DOWN WEATHERFORD MWD
1130	1500	P/U PATHFINDER MWD AND TRIP IN W/ BHA
1500	1630	ATTEMPT TO SURVEY, MWD FAILURE, NO PULSE
1630	1730	TRIP OUT
1730	1800	XO MWD
1800	1830	TRIP IN 6 STANDS HWDP
1830	1900	TEST MWD
1900	2030	TRIP IN
2030	2130	KELLY UP, BREAK CIRC, WASH TO BOTTOM
2130	0600	DRLG FM 3291' TO 3624'
SHOWS: 3393' - 3453' 938 U		
3458' - 3487' 1065 U		
3495' - 3539' 1532		

Daily cost \$21,322 cum. cost \$204,166

2/3/2002

0600	1530	DRLG FM 3624' TO 3909'
1530	1600	SERVICE RIG, FUNCTION BOP
1600	0600	DRLG FM 3909' TO 4270'
TOP OF WASATCH @ 3935'		
NO MUD LOSSES LAST 24 HRS		

Daily cost \$25,470 cum. cost \$229,636

2/4/2002

0600	1800	DRLG FM 4270' TO 4544'
1800	1830	SERVICE RIG, FUNCTION BOP
1930	0600	DRLG FM 4544' TO 4808
SHOWS 4767' - 4802' 2686 U		

Daily cost \$23,545 cum. cost \$253,181

CONFIDENTIAL

2/5/2002

FROM	TO	ACTIVITY PAST 24 HRS:
0600	1500	DRLG FM 4808' TO 5019'
1500	1530	SERVICE RIG
1530	1930	DRLG FM 5019' TO 5115'
1930	2000	CIRC, AND PUMP PILL
2000	2330	TRIP OUT
2330	0030	L/D WEATHERFORD DIR TOOLS, AND PATHEFINDER MWD
0030	0130	P/U DAILY MUD MOTOR, AND TELEDRIFT
0130	0430	TRIP IN
0430	0600	ATTEMPT TO BREAK CIRC, NO RETURNS, BUILD VOLUME, COND MUD W/ LCM
		600 BBLS MUD LOSS LAST 24 HRS

Daily cost \$24,129 cum. cost \$277,310

2/6/2002

FROM	TO	ACTIVITY PAST 24 HRS:
0600	0930	BUILD VOLUME, MIX LCM
0930	1630	DRLG FM 5115' TO 5341'
1630	1700	SERVICE RIG, FUNCTION BOP
1700	0600	DRLG FM 5341' TO 5600'
		200 BBL MUD LOSS LAST 24 HRS
		SHOWS 5222' - 5255' 927 U
		5520' - 5528' 787 U
		5541' - 5551' 124 U

Daily cost \$18,350 cum. cost \$295,660

2/7/2002

FROM	TO	ACTIVITY PAST 24 HRS:
0600	1000	DRLG FM 5600' TO 5647'
1000	1130	REPAIR #1 PUMP
1130	2100	DRLG FM 5647' TO 5805' TD
2100	2130	CIRC.
2130	2300	PUMP PILL, AND SHORT TRIP
2300	0030	CIRC. FOR E-LOGS
0030	0500	TRIP OUT, SLM
0500	0600	WAIT ON SCHLUMBERGER WIRELINE
		SHOWS: 5592' - 5597' 4255 U

Daily cost \$18,488 cum. cost \$314,148

2/8/2002

FROM	TO	ACTIVITY PAST 24 HRS:
0600	0800	WAIT ON SCHLUMBERGER WIRELINE
0800	1600	R/U AND RUN E-LOGS W/ SCHLUMBERGER, R/D
1600	1900	TRIP IN W/ BIT
1900	2030	CIRC. AND COND, PARTIAL RETURNS AT FIRST, 100 BBLS LOST
2030	0130	LAY DOWN DRILL STRING
0130	0600	R/U & RUN 138 JTS 4 1/2", 11.6 lb, N-80, LTC CASING TO 5800'. CEMENT STAGE TOOL @3789'

Daily cost \$31,170 cum. cost \$345,318

2/9/2002

CONFIDENTIAL

FROM	TO	ACTIVITY PAST 24 HRS:
0600	0800	CIRC CASING, R/D T&M CASERS, R/U HALIBURTON, PUMP BALL @ 3000 PSI
0800	0900	CEMENT 1st STAGE W/ HALIBURTON 330 sks PREM AG-300
0900	1300	CIRC. FOR 2nd STAGE W/ RIG
1300	1600	CEMENT 2nd STAGE, R/D HALIBURTON 500 sk HALCO LITE, FOLLOWED BY 50 SKS "G" NEAT
1600	2030	NIPPLE DOWN & SET SLIPS W/ 75,000 lb, CLEAN MUD TANKS
RIG RELEASED FOR DEMOB. @ 8:00 PM 2/8/02		

Daily cost \$87,090 cum. cost \$432,408

COMPLETION

6/6/2002

MIRU K&S WELL SERVICE RIG #1. N/U BOP'S. P/U 3 7/8" BIT, CSG SCRAPER & RIH W/ 119 JTS TBG. TAG CEMENT @ 3711'. R/U POWER SWIVEL & STRIPPING HEAD. R/U PUMP & LINES. SION

Daily cost \$21,595 cum. cost \$615,304

6/7/2002

DRILL OUT CEMENT & DV STAGE TOOL @ 3789'. PRESSURE TEST CSG TO 2500#. HELD OK! FINISH RUNNING IN HOLE W/ TBG TO PBTD @ 5708'. DISPLACE WELL W/ 3% KCL WATER. POOH W/ TBG & TOOLS. SION

Daily cost \$2,935 cum. cost \$618,239

6/8/2002

R/U SCHLUMBERGER. RIH & RUN CEMENT BOND LOG FROM 5705' TO 350' W/ 1000# SURFACE PRESSURE. EST TOP OF CEMENT @ 570'. P/U XN-NIPPLE & RIH W/ 166 JTS 2 3/8" TBG TO 5194'. R/U & SWAB WELL DOWN TO 3900'. POOH W/ TBG & NIPPLE. R/U WIRELINE UNIT. RIH W/ 3 3/8" CSG GUNS & PERFORATE INTVL 5218'-5238', 2 SPF, 40 HOLES TOTAL. R/D WIRELINE. WELL HAD SLIGHT STEADY BLOW BUT WOULD NOT UNLOAD FLUID. SION

Daily cost \$12,000 cum. cost \$630,239

6/9/2002

CHECK PRESSURE. SICP 500# OPEN WELL TO TANK ON 2" CHOKE. WELL BLEW DOWN IMMEDIATELY. P/U NOTCHED COLLAR, 2' PUP JT, XN-NIPPLE, 1 JT TBG, X-NIPPLE & RIH W/ 165 JTS TBG. LAND TBG ON SLIPS @ 5198'. FILL HOLE W/ 3% KCL WATER. PUMP INTO PERFS W/ RIG PUMP USING KCL WATER. AVG 3 BPM @ 1700# ISIP 1000# 5 MIN 0#. HAVE 68 BBLs TO RECOVER. R/U & SWAB WELL. MADE 13 CONSECUTIVE RUNS & RECOVERED 65 BBLs WATER. MADE 3 -30 MIN RUNS W/ NO FLUID RECOVERY. WELL FLOWING STEADY GAS BUT TSTM. SION

Daily cost \$3,460 cum. cost \$633,699

6/11/2002

CHECK PRESSURES. SICP 1300# & SITP 1220#. OPEN WELL TO TANK ON 32/64 CHOKE & FLOW FOR 2 HRS. FTP @ 40# SICP @ 70# (EST 223 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 1.5 HRS. FTP @ 60# SICP @ 90# (EST 400 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 1 HR. FTP @

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HRS. FTP @ 40# SICP @ 70# (EST 223 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 1.5 HRS. FTP @ 60# SICP @ 90# (EST 186 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 1 HR. FTP @ 70# SICP @ 100# (EST 182 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 1.5 HRS. FTP @ 85# SICP @ 110# (EST 172 MCFD FLOW RATE) INSTALL 18/64 CHOKE & FLOW FOR 1 HR. FTP @ 95# SICP @ 120# (EST 165 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW FOR 1.5 HRS. FTP @ 110# SICP @ 150# (EST 150 MCFD FLOW RATE) RECOVERED 3 BBLS FLUID DURING FIRST 2 HRS OF TESTING & WITH NO ADDITIONAL FLUID RECOVERED DURING SUBSEQUENT TESTING. SION

Daily cost \$3,250 cum. cost \$636,949

6/12/2002

CHECK PRESSURES. SICP 1200# & SITP 1310#. OPEN WELL TO TANK ON 32/64 CHOKE & FLOW FOR 4 HRS. FTP @ 40# SICP @ 40# (EST 223 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW FOR 4 HRS. FTP @ 120# SICP @ 130# (EST 164 MCFD FLOW RATE) RECOVERED NO FLUID DURING TODAY'S TESTS. SION

Daily cost \$3,170 cum. cost \$640,119

6/13/2002

CHECK PRESSURES. SICP 1275# & SITP 1200#. OPEN WELL TO TANK ON 32/64 CHOKE & FLOW FOR 4 HRS. FTP @ 40# SICP @ 40# (EST 223 MCFD FLOW RATE) RECOVERED NO FLUID. POOH W/ 2 3/8" TBG & NIPPLES. SION

Daily cost \$2,840 cum. cost \$642,959

6/14/2002

WAIT ON FRAC EQUIPMENT.

Daily cost \$2,840 cum. cost \$645,799

06/15 THRU 06/17

WAIT ON FRAC EQUIPMENT.

Daily cost \$2,840 cum. cost \$654,019

6/18/2002

WAIT ON FRAC EQUIPMENT.

Daily cost \$2,840 cum. cost \$656,859

6/19/2002

WAIT ON FRAC EQUIPMENT.

Daily cost \$2,840 cum. cost \$659,699

6/20/2002

CHECK PRESSURE. SICP 1300# R/U BJ SERVICES & PUMP 70Q VIKING 1-30D FOAM FRAC ON INTERVAL 5218'-5238'. PUMPED 43,000# 20/40 SAND & HAVE 238 BBLS TO RECOVER FROM TREATMENT. AVG RATE 20 BPM, AVG PSI 3300#, MAX RATE 22 BPM, MAX PSI 3500#. ISIP 2985# 5 MIN 2829# 10 MIN 2805# 15 MIN 2788#. R/D PUMP EQUIPMENT & SHUT IN WELL FOR 2 HRS. SICP 2550# OPEN WELL TO TANK ON VARIOUS CHOKES THROUGHOUT THE NIGHT. CURRENTLY FLOWING WELL ON 32/64 CHOKE. FCP @ 550# (EST 3064 MCFD FLOW RATE) RECOVERED 97 BBLS FRAC FLUID. HAVE 141 BBLS LEFT TO RECOVER. CONTINUE FLOW TESTING WELL.

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Daily cost \$52,135 cum. cost \$711,834

6/21/2002

CONTINUE FLOW TESTING WELL. INSTALL 24/64 CHOKE & FLOW FOR 90 MIN. FCP @ 700# (EST 2175 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 90 MIN. FCP @ 750# (EST 1954 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 90 MIN. FCP @ 775# (EST 1664 MCFD FLOW RATE) INSTALL 18/64 CHOKE & FLOW FOR 90 MIN. FCP @ 825# (EST 1431 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW FOR 90 MIN. FCP @ 875# (EST 1194 MCFD FLOW RATE) INSTALL 14/64 CHOKE & FLOW TEST FOR 90 MIN. FCP @ 900# (EST 937 MCFD FLOW RATE) INSTALL 32/64 CHOKE & FLOW FOR 1 HR. FCP @ 625# (EST 3482 MCFD FLOW RATE) RECOVERED NO ADDITIONAL FRAC FLUID DURING TODAY'S TESTS. HAVE 141 BLTR FROM TREATMENT. SION

Daily cost \$3,170 cum. cost \$715,004

6/22/2002

CHECK PRESSURE. SICP 1300# OPEN & FLOW WELL TO TANK ON 32/64 CHOKE FOR 90 MIN. FCP @ 750# (EST 4178 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 1 HR. FCP @ 950# (EST 2952 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW WELL FOR 1 HR. FCP @ 960# (EST 2501 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW WELL FOR 1 HR. FCP @ 1000# (EST 2147 MCFD FLOW RATE) INSTALL 18/64 CHOKE & FLOW WELL FOR 1 HR. FCP @ 1025# (EST 1777 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW WELL FOR 1 HR. FCP @ 1050# (EST 1433 MCFD FLOW RATE) R/U SCHLUMBERGER & RIH W/ TANDEM BHP BOMBS & SET @ 5185'. FLOW WELL 1 HR W/ BOMBS SET ON BOTTOM. SHUT IN FOR BUILD UP TEST.

Daily cost \$3,335 cum. cost \$718,339

6/25/2002

CHECK PRESSURE. SICP 1400# POOH W/ BHP BOMBS. MAX BHP 1539# R/D SLICKLINE UNIT. OPEN & FLOW WELL TO TANK ON 18/64 CHOKE FOR 2 HRS. FCP @ 1325# (EST 2298 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 2 HRS. FCP @ 1245# (EST 2673 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW WELL FOR 2 HRS. FCP @ 1050# (EST 2996 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW WELL FOR 2 HRS. FCP @ 1025# (EST 3185 MCFD FLOW RATE) RECOVERED NO FLUID DURING TODAY'S TESTS. HAVE 141 BLTR FROM TREATMENT. SION

Daily cost \$5,670 cum. cost \$724,009

6/26/2002

CHECK PRESSURE. SICP 1350# OPEN & FLOW WELL TO TANK ON 32/64 CHOKE FOR 3 HRS. FCP @ 800# (EST 4456 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 2 HRS. FCP @ 910# (EST 2828 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW WELL FOR 2 HRS. FCP @ 950# (EST 2475 MCFD FLOW RATE) NO FLUID RECOVERED DURING TODAY'S TESTS. HAVE 141 BLTR FROM TREATMENT. R/U SCHLUMBERGER & RIH W/ COMPOSITE BRIDGE PLUG & SET @ 5100'. TEST CSG & CBP TO 2500#. HELD OK! R/D WIRELINE. RIH W/ 162 JTS TBG & XN-NIPPLE. LAND TBG @ 5073'. SION

Daily cost \$9,940 cum. cost \$733,939

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6/27/2002

R/U & SWAB WELL DOWN TO 3500'. R/U SCHLUMBERGER. RIH W/ 3 3/8" CSG GUNS & PERFORATE INTERVAL 4770'- 4800', 2 SPF, 60 HOLES TOTAL. WELL PRESSURED TO 1000#. R/D WIRELINE. OPEN WELL TO TANK ON 2" CHOKE FOR 1 HR. RECOVERED 20 BBLS WATER. INSTALL 32/64 CHOKE & FLOW WELL FOR 1 HR. FCP @ 625#. SION

Daily cost \$9,940 cum. cost \$733,939

6/28/2002

CHECK PRESSURE. SICP 1625# FLOW WELL TO TANK ON 32/64 CHOKE FOR 2 HRS. FCP @ 550# (EST 3064 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 90 MIN. FCP @ 900# (EST 2828 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 1 HR. FCP @ 1025# (EST 2671 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 1 HR. FCP @ 1100# (EST 2361 MCFD FLOW RATE) INSTALL 18/64 CHOKE & FLOW FOR 1 HR. FCP @ 1225# (EST 2124 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW FOR 1 HR. FCP @ 1300# (EST 1775 MCFD FLOW RATE) INSTALL 14/64 CHOKE & FLOW FOR 1 HR. FCP @ 1360# (EST 1416 MCFD FLOW RATE) RECOVERED NO FLUID DURING TODAYS TESTS. SION

Daily cost \$3,250 cum. cost \$746,259

6/29/2002

CHECK PRESSURE. SICP 1625# FLOW WELL TO TANK ON 32/64 CHOKE FOR 1.5 HRS. FCP @ 500# (EST 2785 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 90 MIN. FCP @ 875# (EST 2719 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 1.5 HRS. FCP @ 1025# (EST 2671 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 1 HR. FCP @ 1050# (EST 2254 MCFD FLOW RATE) INSTALL 18/64 CHOKE & FLOW FOR 1 HR. FCP @ 1175# (EST 2037 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW FOR 1 HR. FCP @ 1250# (EST 1706 MCFD FLOW RATE) INSTALL 14/64 CHOKE & FLOW FOR 1 HR. FCP @ 1325# (EST 1380 MCFD FLOW RATE) RECOVERED NO FLUID DURING TODAYS TESTS. SION

Daily cost \$3,170 cum. cost \$749,429

7/2/2002

CHECK PRESSURE. SICP 1600# FLOW WELL TO TANK ON 18/64 CHOKE FOR 2 HRS. FCP @ 1025# (EST 1777 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 2 HRS. FCP @ 975# (EST 2093 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 2 HRS. FCP @ 900# (EST 2345 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 2 HRS. FCP @ 750# (EST 2331 MCFD FLOW RATE) RECOVERED NO FLUID DURING TODAYS TESTS. SION

Daily cost \$3,170 cum. cost \$752,599

7/3/2002

CHECK PRESSURE. SICP 1550# R/U SCHLUMBERGER SLICKLINE UNIT. RIH W/ TANDEM BHP BOMBS & RUN STATIC SURVEY. MAX BHP 1799# FL @ 4100' R/D SLICK LINE UNIT. OPEN WELL TO TANK ON 32/64. FCP @ 500#. P/U 3 7/8" BIT, PUMP OFF SUB, 2' PUP JT, XN-NIPPLE, 1 JT TBG, X-NIPPLE & STRIP IN HOLE W/ 165 JTS TBG TO CBP @ 5100'. DRILL OUT PLUG W/ WEATHERFORD FOAM UNIT. STRIP IN HOLE W/ TBG & TAG SAND @ 5590'. PULL UP & LAND TBG ON HANGER @ 5204'. N/D BOP'S & N/U WELLHEAD. PUMP OFF BIT & CLEAN UP WELL TO PIT. SION

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WELLHEAD. PUMP OFF BIT & CLEAN UP WELL TO PIT. SION

Daily cost \$10,735 cum. cost \$763,334

PUT WELL ON @ 7:30 P.M. ON 07/04/02. TP 1985# CP 1350#. MCF 797 3.34 BLW. 3.34 BBLS OIL. ON 14/64" CHOKE FOR 12.5 HRS.

07/05/02 TP 1985# CP 1350#. MCF 1449 0 BLW. 0 BBLS OIL. ON 14/64" CHOKE FOR 24 HRS.

07/06/02 TP 1985# CP 1350#. MCF 1433 0 BLW. 0 BBLS OIL. ON 14/64" CHOKE FOR 24 HRS.

07/07/02 TP 1985# CP 1350#. MCF 1417 0 BLW. 3.34 BBLS OIL. ON 14/64" CHOKE FOR 24 HRS.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-0779

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
ROCKHOUSE

8. Well Name and No.
31

9. API Well No.
43-04734371

10. Field and Pool, or Exploratory Area
ROCKHOUSE

11. County or Parish, State

UINTAH, UT

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

P.O. Box 1668 Vernal, Utah 84078 (435)789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2630 FNL 257 FEL SE NE SEC 09, T11S R23E (SURFACE)
1285 FNL 1350 FEL NW NE SEC 9, T11S R23E SLB&M (DOWNHOLE)

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Disposal Method
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Rosewood Resources, Inc. requests approval that any produced water from the above mentioned well be disposed of by method of trucking to our Atchee SWD Well EPA Permit Number UT2871-04527 and disposing of water per regulation.

Please call with any concerns.

Thank You,

Jill Henrie

Rosewood Resources, Inc.

(435) 789-0414 x 10

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

COPIES: ORIG. & 2-BLM; DIV. OG&M

14. I hereby certify that the foregoing is true and correct

Signed Jill Henrie Title Admin. Assistant Date 05/07/04

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

RECEIVED

MAY 13 2004

DIV. OF OIL, GAS & MINING